

103D CONGRESS
1ST SESSION

S. 1507

**SENATE AMENDMENT
TO HOUSE
AMENDMENTS**

In the Senate of the United States,

November 20 (legislative day, November 2), 1993.

Resolved, That the Senate agree to the amendments of the House of Representatives to the bill (S. 1507) entitled “An Act to make technical amendments to the Higher Education Amendments of 1992 and the Higher Education Act of 1965, and for other purposes” with the following

**SENATE AMENDMENT TO
HOUSE AMENDMENTS:**

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

1 ***SECTION 1. SHORT TITLE; REFERENCES.***

2 (a) *SHORT TITLE*.—*This Act may be cited as the*
3 *“Higher Education Technical Amendments of 1993”.*

4 (b) *REFERENCES*.—*References in this Act to “the Act”*
5 *are references to the Higher Education Act of 1965.*

6 ***SEC. 2. TECHNICAL AMENDMENTS.***

7 (a) *AMENDMENTS TO TITLES I, II, AND III OF THE*
8 *ACT*.—*Titles I, II, and III of the Act (20 U.S.C. 1001 et*
9 *seq., 1021 et seq., 1051 et seq.) are amended—*

10 (1) *in section 103(b)(2), by increasing the inden-*
11 *tation of subparagraphs (A) through (E) by two em*
12 *spaces;*

1 (2) in section 104(b)(5)(C), by striking “sub-
2 part” and inserting “part”;

3 (3) in section 241(a)(2)(B), by striking “infor-
4 mation service” and inserting “information science”;

5 (4) in section 301(a)(2), by striking the comma
6 after “planning”;

7 (5) in section 312(c)(2), by inserting “the” before
8 “second fiscal year” the second place it appears;

9 (6) in section 313(b), by inserting “, except that
10 for the purpose of this subsection a grant under sec-
11 tion 354(a)(1) shall not be considered a grant under
12 this part” before the period.

13 (7) in section 316(c), by striking “Such pro-
14 grams may include—” and inserting the following:

15 “(2) *EXAMPLES OF AUTHORIZED ACTIVITIES.*—
16 *Such programs may include—*”;

17 (8) by reducing by two em spaces the indenta-
18 tion of each of the following provisions: sections
19 323(b)(3), 331(a)(2)(D), and 331(b)(5);

20 (9) in section 326(e)(2)—

21 (A) by inserting “and” after the semicolon
22 at the end of subparagraph (A);

23 (B) by striking subparagraph (B); and

24 (C) by redesignating subparagraph (C) as
25 subparagraph (B);

1 (10) in section 331(b)(2), by reducing the inden-
 2 tation of subparagraphs (B) and (C) by four em
 3 spaces; and

4 (11) in section 331(b)(5), by striking “an endow-
 5 ment” and inserting “An endowment”.

6 (b) AMENDMENTS TO PART A OF TITLE IV OF THE
 7 ACT.—Part A of title IV of the Act (20 U.S.C. 1070 et seq.)
 8 is amended—

9 (1) in section 401(a)(1), by inserting “; except
 10 that this sentence shall not be construed to limit the
 11 authority of the Secretary to place an institution on
 12 a reimbursement system of payment” before the pe-
 13 riod at the end of the second sentence;

14 (2) in section 401(b)(6), in the matter preceding
 15 subparagraph (A), by striking “single 12-month pe-
 16 riod” and inserting “single award year”;

17 (3) in section 401(b)(6)(A), by striking “a bacca-
 18 laureate” and inserting “an associate or bacca-
 19 laureate”;

20 (4) in section 401(b)(6)(B), by striking “a bach-
 21 elor’s” and inserting “an associate or baccalaureate”;

22 (5) in section 401(i), by striking “part D of title
 23 V” and inserting “subtitle D of title V”;

24 (6) in section 402A(b), by striking paragraph (2)
 25 and inserting the following:

1 “(2) *DURATION.*—*Grants or contracts made*
 2 *under this chapter shall be awarded for a period of*
 3 *4 years, except that—*

4 “(A) *the Secretary shall award such grants*
 5 *or contracts for 5 years to applicants whose peer*
 6 *review scores were in the highest 10 percent of*
 7 *scores of all applicants receiving grants or con-*
 8 *tracts in each program competition for the same*
 9 *award year; and*

10 “(B) *grants made under section 402G shall*
 11 *be awarded for a period of 2 years.”;*

12 (7) *in the second sentence of section 402A(c)(1),*
 13 *by inserting before the period the following “, except*
 14 *that in the case of the programs authorized in sections*
 15 *402E and 402G, the level of consideration given to*
 16 *prior experience shall be the same as the level of con-*
 17 *sideration given this factor in the other programs au-*
 18 *thorized in this chapter”;*

19 (8) *in section 402A(c)(2)(A), by inserting “with*
 20 *respect to grants made under section 402G, and” after*
 21 *“Except”;*

22 (9) *in section 402A, by amending subsection (e)*
 23 *to read as follows:*

24 “(e) *DOCUMENTATION OF STATUS AS A LOW-INCOME*
 25 *INDIVIDUAL.*—(1) *Except in the case of an independent stu-*

1 *dent, as defined in section 480(d), documentation of an in-*
 2 *dividual's status pursuant to subsection (g)(2) shall be*
 3 *made by providing the Secretary with—*

4 “(A) *a signed statement from the individual's*
 5 *parent or legal guardian;*

6 “(B) *verification from another governmental*
 7 *source;*

8 “(C) *a signed financial aid application; or*

9 “(D) *a signed United States or Puerto Rico in-*
 10 *come tax return.*

11 “(2) *In the case of an independent student, as defined*
 12 *in section 480(d), documentation of an individual's status*
 13 *pursuant to subsection (g)(2) shall be made by providing*
 14 *the Secretary with—*

15 “(A) *a signed statement from the individual;*

16 “(B) *verification from another governmental*
 17 *source;*

18 “(C) *a signed financial aid application; or*

19 “(D) *a signed United States or Puerto Rico in-*
 20 *come tax return.”;*

21 (10) *in section 402C(c), by striking “and for-*
 22 *foreign” and inserting “foreign”;*

23 (11) *in section 402D(c)(2), by striking “either”;*

24 (12) *in section 404A(1), by striking “high-*
 25 *school” and inserting “high school”;*

1 (13) in section 404B(a)(1)—

2 (A) by striking “section 403C” and insert-
3 ing “section 404D”; and

4 (B) by striking “section 403D” and insert-
5 ing “section 404C”;

6 (14) in section 404B(a)(2), by inserting “shall”
7 after “paragraph (1)”;

8 (15) in section 404C(b)(3)(A), by striking
9 “grades 12” and inserting “grade 12”;

10 (16) in section 404C(b)(3)(D)(i), by striking
11 “section 401D of this subpart” and inserting “section
12 402D”;

13 (17) in section 404C(b)(3)(D)(ii), by striking
14 “section 401D of this part” and inserting “section
15 402D”;

16 (18) in section 404D(d)(3), by striking “program
17 of instruction” and inserting “program of under-
18 graduate instruction”;

19 (19) in section 404D(d)(4), by striking “the” the
20 first place it appears;

21 (20) in section 404E(c), by striking “tuition”
22 and inserting “financial”;

23 (21) in section 404F(a), by striking “under this
24 section shall biannually” and inserting “under this
25 chapter shall biennially”;

1 (22) in section 404F(c), by striking “bian-
2 nually” and inserting “biennially”;

3 (23) in section 404G—

4 (A) by striking “an appropriation” and in-
5 serting “to be appropriated”; and

6 (B) by striking the second sentence and in-
7 serting the following: “For any fiscal year for
8 which funds are authorized to be appropriated to
9 carry out subpart 4 of part A of this title, no
10 amount may be expended to carry out the provi-
11 sions of this chapter unless the amount appro-
12 priated for such fiscal year to carry out such
13 subpart 4 exceed \$60,000,000.”;

14 (24) in section 409A(1), by striking “private fi-
15 nancial” and inserting “private student financial”;

16 (25) in section 413C(d)—

17 (A) by striking “, a reasonable proportion
18 of the institution’s allocation shall be made
19 available to such students, except that” and in-
20 serting “and”; and

21 (B) by striking “5 percent of the need” and
22 inserting “5 percent of the total financial need”;

23 (26) in section 413D(d)(3)(C), by striking
24 “three-fourths in the Pell Grant family size offset”
25 and inserting “150 percent of the difference between

1 *the income protection allowance for a family of five*
 2 *with one in college and the income protection allow-*
 3 *ance for a family of six with one in college”;*

4 *(27) in section 415C(b)(7), by striking the period*
 5 *at the end and inserting a semicolon;*

6 *(28) in section 419C(b)—*

7 *(A) by striking “for a period of not more*
 8 *than 4 years for the first 4 years of study” and*
 9 *inserting “for a period of not less than 1 or more*
 10 *than 4 years during the first 4 years of study”;*
 11 *and*

12 *(B) by adding at the end the following:*

13 *“The State educational agency administering the program*
 14 *in a State shall have discretion to determine the period of*
 15 *the award (within the limits specified in the preceding sen-*
 16 *tence), except that—*

17 *“(1) if the amount appropriated for this subpart*
 18 *for any fiscal year exceeds the amount appropriated*
 19 *for this subpart for fiscal year 1993, the Secretary*
 20 *shall identify to each State educational agency the*
 21 *number of scholarships available to that State under*
 22 *section 419D(b) that are attributable to such excess;*

23 *“(2) the State educational agency shall award*
 24 *not less than that number of scholarships for a period*
 25 *of 4 years.”; and*

1 (29) in section 419D, by adding at the end the
2 following new subsection:

3 “(d) *CONSOLIDATION BY INSULAR AREAS PROHIB-*
4 *ITED.—Notwithstanding section 501 of Public Law 95-*
5 *1134 (48 U.S.C. 1469a), funds allocated under this part*
6 *to an Insular Area described in that section shall be deemed*
7 *to be direct payments to classes of individuals, and the In-*
8 *sular Area may not consolidate such funds with other funds*
9 *received by the Insular Area from any department or agen-*
10 *cy of the United States Government.”; and*

11 (30) in section 419G(b), by striking “the District
12 of Columbia, the Commonwealth of Puerto Rico,” and
13 inserting “the Federated States of Micronesia, the Re-
14 public of the Marshall Islands,”.

15 (c) *AMENDMENTS TO PART B OF TITLE IV OF THE*
16 *ACT.—Part B of title IV of the Act (20 U.S.C. 1071 et seq.)*
17 *is amended—*

18 (1) in section 422(c)(7), by striking the semi-
19 colon at the end of subparagraph (B) and inserting
20 a period;

21 (2) in section 425(a)(1)(A)—

22 (A) by striking clauses (ii) and (iii) and
23 inserting the following:

24 “(ii) in the case of a student at an eligible
25 institution who has successfully completed such

1 *first year but has not successfully completed the*
2 *remainder of a program of undergraduate edu-*
3 *cation—*

4 “(I) \$3,500; or

5 “(II) if such student is enrolled in a
6 *program of undergraduate education, the*
7 *remainder of which is less than one aca-*
8 *demic year, the maximum annual loan*
9 *amount that such student may receive may*
10 *not exceed the amount that bears the same*
11 *ratio to the amount specified in subclause*
12 *(I) as such remainder measured in semester,*
13 *trimester, quarter, or clock hours bears to*
14 *one academic year;*

15 “(iii) in the case of a student at an eligible
16 *institution who has successfully completed the*
17 *first and second years of a program of under-*
18 *graduate education but has not successfully com-*
19 *pleted the remainder of such program—*

20 “(I) \$5,500; or

21 “(II) if such student is enrolled in a
22 *program of undergraduate education, the*
23 *remainder of which is less than one aca-*
24 *demic year, the maximum annual loan*
25 *amount that such student may receive may*

1 *not exceed the amount that bears the same*
2 *ratio to the amount specified in subclause*
3 *(I) as such remainder measured in semester,*
4 *trimester, quarter, or clock hours bears to*
5 *one academic year;” and*

6 *(B) by striking the semicolon at the end of*
7 *clause (iv) and inserting a period;*

8 *(3) in section 425(a)(1), by inserting at the end*
9 *thereof the following:*

10 *“(C) For the purpose of subparagraph (A), the*
11 *number of years that a student has completed in a*
12 *program of undergraduate education shall include*
13 *any prior enrollment in an eligible program of under-*
14 *graduate education for which the student was award-*
15 *ed an associate or baccalaureate degree, if such degree*
16 *is required by the institution for admission to the*
17 *program in which the student is enrolled.”;*

18 *(4) in the matter following subclause (II) of sec-*
19 *tion 427(a)(2)(C)(i), by inserting “section” before*
20 *“428B or 428C”;*

21 *(5) in section 427A(e)(1), by striking “under this*
22 *part,” and inserting “under section 427, 428, or*
23 *428H of this part,”;*

24 *(6) in section 427A(i)(1), by amending subpara-*
25 *graph (B) to read as follows:*

1 “(B)(i) during any period in which a stu-
 2 dent is eligible to have interest payments paid
 3 on his or her behalf by the Government pursuant
 4 to section 428(a), by crediting the excess interest
 5 to the Government; or

6 “(ii) during any other period, by crediting
 7 such excess interest to the reduction of principal
 8 to the extent provided in paragraph (5) of this
 9 subsection.”;

10 (7) in section 427A(i)(2)(B)—

11 (A) by striking “outstanding principal bal-
 12 ance” and inserting “average daily principal
 13 balance”; and

14 (B) by striking “at the end of” and insert-
 15 ing “during”;

16 (8) in section 427A(i)(4)(B)—

17 (A) by striking “outstanding principal bal-
 18 ance” and inserting “average daily principal
 19 balance”; and

20 (B) by striking “at the end of” and insert-
 21 ing “during”;

22 (9) in section 427A(i)(5)—

23 (A) in the first sentence—

24 (i) by striking “paragraph (2)” and
 25 inserting “paragraphs (2) and (4)”; and

1 (ii) by striking “principle” and insert-
2 ing “principal”; and

3 (B) in the second sentence by inserting be-
4 fore the period at the end the following: “, but
5 the excess interest shall be calculated and cred-
6 ited to the Secretary”;

7 (10) in section 427A(i), by adding at the end the
8 following new paragraph:

9 “(7) CONVERSION TO VARIABLE RATE.—(A) Sub-
10 ject to subparagraphs (C) and (D), a lender or holder
11 shall convert the interest rate on a loan that is made
12 pursuant to this part and is subject to the provisions
13 of this subsection to a variable rate. Such conversion
14 shall occur not later than January 1, 1995, and, com-
15 mencing on the date of conversion, the applicable in-
16 terest rate for each 12-month period beginning on
17 July 1 and ending on June 30 shall be determined by
18 the Secretary on the June 1 preceding each such 12-
19 month period and be equal to the sum of (i) the bond
20 equivalent rate of the 91-day Treasury bills auctioned
21 at the final auction prior to such June 1; and (ii)
22 3.25 percent in the case of loans described in para-
23 graph (1), or 3.10 percent in the case of loans de-
24 scribed in paragraph (3).

1 “(B) In connection with the conversion specified
2 in subparagraph (A) for any period prior to such
3 conversion, and subject to paragraphs (C) and (D), a
4 lender or holder shall convert the interest rate to a
5 variable rate on a loan that is made pursuant to this
6 part and is subject to the provisions of this subsection
7 to a variable rate. The interest rates for such period
8 shall be reset on a quarterly basis and the applicable
9 interest rate for any quarter or portion thereof shall
10 equal the sum of (i) the average of the bond equivalent
11 rates of 91-Treasury bills auctioned for the preceding
12 3-month period, and (ii) 3.25 percent in the case of
13 loans described in paragraph (1) or 3.10 percent in
14 the case of loans described in paragraph (3). The re-
15 bate of excess interest derived through this conversion
16 shall be provided to the borrower as specified in para-
17 graph (5) for loans described in paragraph (1) or to
18 the Government and borrower as specified in para-
19 graph (3).

20 “(C) A lender or holder of a loan being converted
21 pursuant to this paragraph shall complete such con-
22 version on or before January 1, 1995. The lender or
23 holder shall notify the borrower that the loan shall be
24 converted to a variable interest rate and provide a de-
25 scription of the rate to the borrower not later than 30

1 *days prior to the conversion. The notice shall advise*
2 *the borrower that such rate shall be calculated in ac-*
3 *cordance with the procedures set forth in this para-*
4 *graph and shall provide the borrower with a substan-*
5 *tially equivalent benefit as the adjustment otherwise*
6 *provided for under this subsection. Such notice may*
7 *be incorporated into the disclosure required under sec-*
8 *tion 433(b) if such disclosure has not been previously*
9 *made.*

10 “(D) *The interest rate on a loan converted to a*
11 *variable rate pursuant to this paragraph shall not ex-*
12 *ceed the maximum interest rate applicable to the loan*
13 *prior to such conversion.*

14 “(E) *Loans on which the interest rate is con-*
15 *verted in accordance with subparagraph (A) or (B)*
16 *shall not be subject to any other provisions of this*
17 *subsection.”;*

18 (11) *in section 428(a)(2)(C)(i), by striking the*
19 *period at the end and inserting “; and”;*

20 (12) *in section 428(a)(2)(E), by inserting “or*
21 *428H” after “428A”;*

22 (13) *in section 428(b)(1)(A)—*

23 (A) *by striking clauses (ii) and (iii) and*
24 *inserting the following:*

1 “(ii) in the case of a student at an eli-
2 gible institution who has successfully com-
3 pleted such first year but has not success-
4 fully completed the remainder of a program
5 of undergraduate education—

6 “(I) \$3,500; or

7 “(II) if such student is enrolled in
8 a program of undergraduate education,
9 the remainder of which is less than one
10 academic year, the maximum annual
11 loan amount that such student may re-
12 ceive may not exceed the amount that
13 bears the same ratio to the amount
14 specified in subclause (I) as such re-
15 mainder measured in semester, tri-
16 mester, quarter, or clock hours bears to
17 one academic year;

18 “(iii) in the case of a student at an eli-
19 gible institution who has successfully com-
20 pleted the first and second years of a pro-
21 gram of undergraduate education but has
22 not successfully completed the remainder of
23 such program—

24 “(I) \$5,500; or

1 “(II) if such student is enrolled in
2 a program of undergraduate education,
3 the remainder of which is less than one
4 academic year, the maximum annual
5 loan amount that such student may re-
6 ceive may not exceed the amount that
7 bears the same ratio to the amount
8 specified in subclause (I) as such re-
9 mainder measured in semester, tri-
10 mester, quarter, or clock hours bears to
11 one academic year;”;

12 (B) by redesignating clause (iv) as clause
13 (v); and

14 (C) by inserting after clause (iii) the follow-
15 ing:

16 “(iv) in the case of a student who has
17 received an associate or baccalaureate de-
18 gree and is enrolled in an eligible program
19 for which the institution requires such de-
20 gree for admission, the number of years that
21 a student has completed in a program of
22 undergraduate education shall, for the pur-
23 poses of clauses (ii) and (iii), include any
24 prior enrollment in the eligible program of

1 undergraduate education for which the stu-
2 dent was awarded such degree; and”;

3 (14) in section 428(b)(1)(B), by striking the
4 matter following clause (ii) and inserting the follow-
5 ing:

6 “except that the Secretary may increase the limit
7 applicable to students who are pursuing pro-
8 grams which the Secretary determines are excep-
9 tionally expensive;”;

10 (15) in section 428(b)(1), by amending subpara-
11 graph (N) to read as follows:

12 “(N) provides that funds borrowed by a stu-
13 dent—

14 “(i) are disbursed to the institution by
15 check or other means that is payable to, and
16 requires the endorsement or other certifi-
17 cation by, such student; or

18 “(ii) in the case of a student who is
19 studying outside the United States in a pro-
20 gram of study abroad that is approved for
21 credit by the home institution at which such
22 student is enrolled or at an eligible foreign
23 institution, are, at the request of the stu-
24 dent, disbursed directly to the student by the
25 means described in clause (i), unless such

1 *student requests that the check be endorsed,*
 2 *or the funds transfer authorized, pursuant*
 3 *to an authorized power-of-attorney;”;*

4 *(16) in section 428(b)(1)(U)—*

5 *(A) by striking “this clause;” and inserting*
 6 *“this clause”; and*

7 *(B) by inserting a comma after “emergency*
 8 *action” each place it appears;*

9 *(17) in section 428(b)(1)—*

10 *(A) by striking subparagraphs (V) and (W);*
 11 *and*

12 *(B) by redesignating subparagraphs (X),*
 13 *(Y), and (Z) as subparagraphs (V), (W,) and*
 14 *(X), respectively;*

15 *(18) in section 428(b)(2)(F)(i), by striking “each*
 16 *to provide a separate notice” and inserting “either*
 17 *jointly or separately to provide a notice”;*

18 *(19) in section 428(b)(2)(F)(ii), by striking*
 19 *“transferor” and inserting “transferee”;*

20 *(20) in section 428(b)(2)(F)(ii)(I), by striking*
 21 *“to another holder”;*

22 *(21) in section 428(b)(2)(F)(ii)(II), by striking*
 23 *“such other” and inserting “the new”;*

24 *(22) in section 428(b), by amending paragraph*
 25 *(7) to read as follows:*

1 “(7) *REPAYMENT PERIOD.*—(A) *In the case of a*
2 *loan made under section 427 or 428, the repayment*
3 *period shall exclude any period of authorized*
4 *deferment or forbearance and shall begin—*

5 “(i) *the day after 6 months after the date*
6 *the student ceases to carry at least one-half the*
7 *normal full-time academic workload (as deter-*
8 *mined by the institution); or*

9 “(ii) *on an earlier date if the borrower re-*
10 *quests and is granted a repayment schedule that*
11 *provides for repayment to commence at an ear-*
12 *lier date.*

13 “(B) *In the case of a loan made under section*
14 *428H, the repayment period shall exclude any period*
15 *of authorized deferment or forbearance, and shall*
16 *begin as described in clause (i) or (ii) of subpara-*
17 *graph (A), but interest shall begin to accrue or be*
18 *paid by the borrower on the day the loan is disbursed.*

19 “(C) *In the case of a loan made under section*
20 *428A, 428B, or 428C, the repayment period shall*
21 *begin on the day the loan is disbursed, or, if the loan*
22 *is disbursed in multiple installments, on the day of*
23 *the last such disbursement, and shall exclude any pe-*
24 *riod of authorized deferment or forbearance.”;*

1 (23) in section 428(b), by adding at the end
2 thereof the following new paragraph:

3 “(8) MEANS OF DISBURSEMENT OF LOAN PRO-
4 CEEDS.—Nothing in this title shall be interpreted to
5 prohibit the disbursement of loan proceeds by means
6 other than by check or to allow the Secretary to re-
7 quire checks to be made co-payable to the institution
8 and the borrower.”;

9 (24) in section 428(c)(1)(A), by striking the last
10 sentence and inserting the following: “A guaranty
11 agency shall file a claim for reimbursement with re-
12 spect to losses under this subsection within 45 days
13 after the guaranty agency discharges its insurance ob-
14 ligation on the loan.”;

15 (25) in section 428(c)(2)(G), by striking “dem-
16 onstrates” and inserting “certifies”;

17 (26) in section 428(c)(3) by striking subpara-
18 graph (A) and inserting the following:

19 “(A) shall contain provisions providing
20 that—

21 “(i) upon written request, a lender
22 shall grant a borrower forbearance, renew-
23 able at 12-month intervals, on terms agreed
24 to in writing by the parties to the loan with
25 the approval of the insurer, and otherwise

1 *consistent with the regulations of the Sec-*
2 *retary, if the borrower—*

3 *“(I) is serving in a medical or*
4 *dental internship or residency pro-*
5 *gram, the successful completion of*
6 *which is required to begin professional*
7 *practice or service, or is serving in a*
8 *medical or dental internship or resi-*
9 *dency program leading to a degree or*
10 *certificate awarded by an institution of*
11 *higher education, a hospital, or a*
12 *health care facility that offers post-*
13 *graduate training, provided that if the*
14 *borrower qualifies for a deferment*
15 *under section 427(a)(2)(C)(vii) or sub-*
16 *section (b)(1)(M)(vii) of this section as*
17 *in effect prior to the enactment of the*
18 *Higher Education Amendments of*
19 *1992, or section 427(a)(2)(C) or sub-*
20 *section (b)(1)(M) of this section as*
21 *amended by such amendments, the bor-*
22 *rower has exhausted his or her eligi-*
23 *bility for such deferment;*

1 “(II) has a debt burden under this
2 title that equals or exceeds 20 percent
3 of income; or

4 “(III) is serving in a national
5 service position for which the borrower
6 receives a national service educational
7 award under the National and Com-
8 munity Service Trust Act of 1993;

9 “(ii) the length of the forbearance
10 granted by the lender—

11 “(I) under clause (i)(I) shall
12 equal the length of time remaining in
13 the borrower’s medical or dental in-
14 ternship or residency program, if the
15 borrower is not eligible to receive a
16 deferment described in such clause, or
17 such length of time remaining in the
18 program after the borrower has ex-
19 hausted the borrower’s eligibility for
20 such deferment;

21 “(II) under clause (i)(II) shall not
22 exceed 3 years; or

23 “(III) under clause (i)(III) shall
24 not exceed the period for which the bor-

1 rower is serving in a position described
2 in such clause; and

3 “(iii) no administrative or other fee
4 may be charged in connection with the
5 granting of a forbearance under clause (i),
6 and no adverse information regarding a
7 borrower may be reported to a credit bureau
8 organization solely because of the granting
9 of such forbearance;”;

10 (27) in section 428(e)(2)(A)—

11 (A) by striking “(i)”;

12 (B) by striking “(I)” and inserting “(i)”;

13 and

14 (C) by striking “(II)” and inserting “(ii)”;

15 (28) in section 428(j)(2), in the matter preceding
16 subparagraph (A), by striking “lender of last resort”
17 and inserting “lender-of-last-resort”;

18 (29) in section 428A(b)(1), by striking subpara-
19 graph (B) and inserting the following:

20 “(B) In the case of a student at an eligible
21 institution who has successfully completed such
22 first and second years but has not successfully
23 completed the remainder of a program of under-
24 graduate education—

25 “(i) \$5,000; or

1 “(ii) if such student is enrolled in a
2 program of undergraduate education, the
3 remainder of which is less than one aca-
4 demic year, the maximum annual loan
5 amount that such student may receive may
6 not exceed the amount that bears the same
7 ratio to the amount specified in subclause
8 (I) as such remainder measured in semester,
9 trimester, quarter, or clock hours bears to
10 one academic year.”;

11 (30) in section 428A(b)(1)—

12 (A) by redesignating subparagraph (C) as
13 subparagraph (D); and

14 (B) by inserting after subparagraph (B) the
15 following new subparagraph:

16 “(C) For the purposes of this paragraph, the
17 number of years that a student has completed in
18 a program of undergraduate education shall in-
19 clude any prior enrollment in an eligible pro-
20 gram of undergraduate education for which the
21 student was awarded an associate or bacca-
22 laureate degree, if such degree is required by the
23 institution for admission to the program in
24 which the student is enrolled.”;

1 (31) in section 428A(b)(3)(B)(i), by striking
2 “section 428” and inserting “sections 428 and
3 428H”;

4 (32) in section 428A(c)(1), by striking “sections
5 427 or 428(b)” and inserting “section 427 or 428(b)”;

6 (33) in section 428C(a)(3)(A), by striking “de-
7 linquent or defaulted borrower who will reenter re-
8 payment through loan consolidation” and inserting
9 “defaulted borrower who has made arrangements to
10 repay the obligation on the defaulted loans satisfac-
11 tory to the holders of the defaulted loans”;

12 (34) in section 428C(a)(4)(A), by striking “, ex-
13 cept for loans made to parent borrowers under section
14 428B as in effect prior to the enactment of the Higher
15 Education Amendments of 1986”;

16 (35) in section 428C(a)(4)(C), by striking “part
17 C” and inserting “part A”;

18 (36) in section 428C(c)(2)(A)(vi), by inserting a
19 period after “30 years”;

20 (37) in section 428C(c)(3)(A), by inserting “be
21 an amount” before “equal to”;

22 (38) in section 428F(a)(2)—

23 (A) by striking “this paragraph” and in-
24 serting “paragraph (1) of this subsection”; and

1 (B) by striking “this section” and inserting
2 “this subsection”;

3 (39) in section 428F(a)(4), by striking “this
4 paragraph” and inserting “paragraph (1) of this sub-
5 section”;

6 (40) in section 428F(b), by adding at the end
7 thereof the following new sentence: “A borrower may
8 only obtain the benefit of this subsection with respect
9 to renewed eligibility once.”;

10 (41) in section 428G(c)(3), by striking “dis-
11 bursed” and inserting “disbursed by the lender”;

12 (42) in section 428H(d)(2), by amending sub-
13 paragraph (B) to read as follows:

14 “(B) in the case of a student at an eligible
15 institution who has successfully completed such
16 first and second years but has not successfully
17 completed the remainder of a program of under-
18 graduate education—

19 “(i) \$5,000; or

20 “(ii) if such student is enrolled in a
21 program of undergraduate education, the
22 remainder of which is less than one aca-
23 demic year, the maximum annual loan
24 amount that such student may receive may
25 not exceed the amount that bears the same

1 *ratio to the amount specified in subclause*
 2 *(I) as such remainder measured in semester,*
 3 *trimester, quarter, or clock hours bears to*
 4 *one academic year.”;*

5 (43) *in section 428H(e)(1)—*

6 (A) *by striking “shall commence 6 months*
 7 *after the month in which the student ceases to*
 8 *carry at least one-half the normal full-time work-*
 9 *load as determined by the institution.” and in-*
 10 *serting “shall begin at the beginning of the re-*
 11 *payment period described in section 428(b)(7).”;*

12 (B) *by adding at the end thereof the follow-*
 13 *ing new sentence: “Not less than 30 days prior*
 14 *to the anticipated commencement of such repay-*
 15 *ment period, the holder of such loan shall pro-*
 16 *vide notice to the borrower that interest will ac-*
 17 *cruer before repayment begins and of the borrow-*
 18 *er’s option to begin loan repayment at an earlier*
 19 *date.”;*

20 (44) *in section 428H(e)(4), by striking*
 21 *“427A(e)” and inserting “427A”;*

22 (45) *in section 428H, by redesignating sub-*
 23 *section (l) as subsection (h);*

1 (46) in section 428I(g), by striking “the Federal
2 False Claims Act” and inserting “section 3729 of title
3 31, United States Code,”;

4 (47) in section 428J(b)(1), by striking “sections
5 428A, 428B, or 428C” and inserting “section 428A,
6 428B, or 428C”;

7 (48) in section 428J(b)(1)(B), by striking
8 “agrees in writing to volunteer for service” and in-
9 serting “serves as a full-time volunteer”;

10 (49) in section 428J(c)(1), by striking “academic
11 year” each place it appears and inserting “year of
12 service”;

13 (50) in the heading for section 428J(d), by strik-
14 ing “OF ELIGIBILITY” and inserting “TO ELIGIBLE”;

15 (51) in section 428J, by amending subsection (e)
16 to read as follows:

17 “(e) APPLICATION FOR REPAYMENT.—

18 “(1) IN GENERAL.—Each eligible individual de-
19 siring loan repayment under this section shall submit
20 a complete and accurate application to the Secretary
21 at such time, in such manner, and containing such
22 information as the Secretary may reasonably require.
23 Loan repayment under this section shall be on a first-
24 come, first-served basis and subject to the availability
25 of appropriations.

1 “(2) *CONDITIONS.—An eligible individual may*
 2 *apply for repayment after completing each year of*
 3 *qualifying service. The borrower shall receive forbear-*
 4 *ance while engaged in qualifying service unless the*
 5 *borrower is in deferment while so engaged.*”;

6 (52) *in section 430A(f)(1), by striking the*
 7 *comma at the end and inserting a semicolon;*

8 (53) *in the matter preceding paragraph (1) of*
 9 *section 433(b), by striking “60 days” and inserting*
 10 *“30 days”;*

11 (54) *in section 433(e), by striking “section 428A,*
 12 *428B,” and inserting “sections 428A, 428B,”;*

13 (55) *in section 435(a), by inserting after para-*
 14 *graph (2) the following new paragraph:*

15 “(3) *APPEALS BASED UPON ALLEGATIONS OF IM-*
 16 *PROPER LOAN SERVICING.—An institution that—*

17 *“(A) is subject to loss of eligibility for the*
 18 *Federal Family Education Loan Program pur-*
 19 *suant to paragraph (2)(A) of this subsection;*

20 *“(B) is subject to loss of eligibility for the*
 21 *Federal Supplemental Loans for Students pursu-*
 22 *ant to section 428A(a)(2); or*

23 *“(C) is an institution whose cohort default*
 24 *rate equals or exceeds 20 percent for the most re-*
 25 *cent year for which data are available;*

1 *may include in its appeal of such loss or rate a de-*
 2 *fense based on improper loan servicing (in addition*
 3 *to other defenses). In any such appeal, the Secretary*
 4 *shall take whatever steps are necessary to ensure that*
 5 *such institution has access to a representative sample*
 6 *(as determined by the Secretary) of the relevant loan*
 7 *servicing and collection records of the affected guar-*
 8 *anty agencies and loan servicers for a reasonable pe-*
 9 *riod of time, not to exceed 30 days. The Secretary*
 10 *shall reduce the institution's cohort default rate to re-*
 11 *fect the percentage of defaulted loans in the represent-*
 12 *ative sample that are required to be excluded pursu-*
 13 *ant to subsection (m)(1)(B).";*

14 *(56) in section 435(d)(2)(D), by striking "lender;*
 15 *and" and inserting "lender;";*

16 *(57) in section 435(d)(2), by increasing the in-*
 17 *dentation of the matter following subparagraph (F)*
 18 *by two em spaces;*

19 *(58) in section 435(d)(3), by striking "435(o)"*
 20 *and inserting "435(m)";*

21 *(59) in section 435(m)(1)(A), by striking "428 or*
 22 *428A" and inserting "428, 428A, or 428H,";*

23 *(60) in section 435(m)—*

24 *(A) by inserting at the end of paragraph*

25 *(1)(A) the following new sentence: "The Sec-*

retary shall require that each guaranty agency that has insured loans for current or former students of the institution afford such institution a reasonable opportunity (as specified by the Secretary) to review and correct errors in the information required to be provided to the Secretary by the guaranty agency for the purposes of calculating a cohort default rate for such institution, prior to the calculation of such rate.”;

(B) in paragraph (1)(B), by striking “and, in calculating” and all that follows through the period at the end thereof and inserting the following: “and, in considering appeals with respect to cohort default rates pursuant to subsection (a)(3), exclude any loans which, due to improper servicing or collection, would, as demonstrated by the evidence submitted in support of the institution’s timely appeal to the Secretary, result in an inaccurate or incomplete calculation of such cohort default rate.”;

(61) in section 435(m)(2)(D)—

(A) by inserting “(or the portion of a loan made under section 428C that is used to repay a loan made under section 428A)” after “section 428A” the first place it appears; and

1 (B) by inserting “(or a loan made under
 2 section 428C a portion of which is used to repay
 3 a loan made under section 428A)” after “section
 4 428A” the second place it appears;

5 (62) in section 435(m), by adding at the end
 6 thereof the following new paragraph:

7 “(4) COLLECTION AND REPORTING OF COHORT
 8 DEFAULT RATES.—(A) The Secretary shall collect
 9 data from all insurers under this part and shall pub-
 10 lish not less often than once every fiscal year a report
 11 showing default data for each category of institution,
 12 including (i) 4-year public institutions, (ii) 4-year
 13 private institutions, (iii) 2-year public institutions,
 14 (iv) 2-year private institutions, (v) 4-year propri-
 15 etary institutions, (vi) 2-year proprietary institu-
 16 tions, and (vii) less than 2-year proprietary institu-
 17 tions.

18 “(B) The Secretary may designate such addi-
 19 tional subcategories within the categories specified in
 20 subparagraph (A) as the Secretary deems appro-
 21 priate.

22 “(C) The Secretary shall publish not less often
 23 than once every fiscal year a report showing default
 24 data for each institution for which a cohort default
 25 rate is calculated under this subsection.”;

1 (63) in section 437, by amending subsection (b)
2 to read as follows:

3 “(b) *PAYMENT OF CLAIMS ON LOANS IN BANK-*
4 *RUPTCY.*—The Secretary shall pay to the holder of a loan
5 described in section 428(a)(1)(A) or (B), 428A, 428B, 428C,
6 or 428H, the amount of the unpaid balance of principal
7 and interest owed on such loan—

8 “(1) when the borrower files for relief under
9 chapter 12 or 13 of title 11, United States Code;

10 “(2) when the borrower who has filed for relief
11 under chapter 7 or 11 of such title commences an ac-
12 tion for a determination of dischargeability under
13 section 523(a)(8)(B) of such title; or

14 “(3) for loans described in section 523(a)(8)(A)
15 of such title, when the borrower files for relief under
16 chapter 7 or 11 of such title.”;

17 (64) in section 437(c)(1)—

18 (A) by striking “If a student borrower” and
19 inserting “If a borrower”;

20 (B) by striking “under this part is unable”
21 and inserting “under this part and the student
22 borrower, or the student on whose behalf a par-
23 ent borrowed, is unable”; and

1 (C) by striking “in which the borrower is
2 enrolled” and inserting “in which such student
3 is enrolled”; and

4 (65) in section 437(c)(4), by adding at the end
5 the following new sentence: “The amount discharged
6 under this subsection shall be treated the same as
7 loans under section 465(a)(5) of this title.”;

8 (66) in the matter preceding paragraph (1) of
9 section 437A(a), by striking “under subsection (d)”;

10 (67) in section 437A(c)(2), by inserting a period
11 at the end;

12 (68) in section 437A, by striking subsection (e);
13 and

14 (69) in section 439(r)(12), by striking “section
15 522” and inserting “section 552”.

16 (d) AMENDMENT TO PART C OF TITLE IV OF THE
17 ACT.—Part C of title IV of the Act (42 U.S.C. 2751 et seq.)
18 is amended—

19 (1) in section 442(d)(4)(C), by striking “three-
20 fourths in the Pell Grant family size offset” and in-
21 serting “150 percent of the difference between the in-
22 come protection allowance for a family of five with
23 one in college and the income protection allowance for
24 a family of six with one in college”;

25 (2) in section 442(e)—

1 (A) by inserting “(1)” before “If”; and

2 (B) by adding at the end the following new
3 paragraph:

4 “(2) If, under paragraph (1) of this subsection, an in-
5 stitution returns more than 10 percent of its allocation, the
6 institution’s allocation for the next fiscal year shall be re-
7 duced by the amount returned. The Secretary may waive
8 this paragraph for a specific institution if the Secretary
9 finds that enforcing this paragraph would be contrary to
10 the interest of the program.”;

11 (3) in section 443(b)(2)(A), by striking “institu-
12 tion;” and inserting “institution; and”;

13 (4) in section 443(b), by amending paragraph
14 (5) to read as follows:

15 “(5) provide that the Federal share of the com-
16 pensation of students employed in the work-study pro-
17 gram in accordance with the agreement shall not ex-
18 ceed 75 percent for academic year 1993–1994 and
19 succeeding academic years, except that the Federal
20 share may exceed such amounts of compensation if the
21 Secretary determines, pursuant to regulations pro-
22 mulgated by the Secretary establishing objective cri-
23 teria for such determinations, that a Federal share in
24 excess of such amounts is required in furtherance of
25 the purpose of this part;”; and

1 (5) in section 443(b)(8), by striking subpara-
2 graphs (A), (B), and (C) and inserting the following:

3 “(A) that are only on campus and that—

4 “(i) to the maximum extent prac-
5 ticable, complement and reinforce the edu-
6 cation programs or vocational goals of such
7 students; and

8 “(ii) furnish student services that are
9 directly related to the student’s education,
10 as determined by the Secretary pursuant to
11 regulations, except that no student shall be
12 employed in any position that would in-
13 volve the solicitation of other potential stu-
14 dents to enroll in the school; or

15 “(B) in community service in accordance
16 with paragraph (2)(A) of this subsection;”.

17 (e) AMENDMENT TO PART D OF TITLE IV OF THE
18 ACT.—Section 453(b)(2)(B) of the Act (20 U.S.C.
19 1087c(b)(2)(B)) is amended to read as follows:

20 “(B) if the Secretary determines it nec-
21 essary in order to carry out the purposes of sub-
22 paragraph (A) and attain such reasonable rep-
23 resentation (as required by subparagraph (A)),
24 selecting additional institutions.”.

1 (f) AMENDMENTS TO PART E OF TITLE IV OF THE
2 ACT.—Part E of title IV of the Act (20 U.S.C. 1087aa et
3 seq.) is amended—

4 (1) in subsections (a)(1) and (a)(2)(D) of section
5 462, by striking “if the institution which has” each
6 place it appears and inserting “if the institution
7 has”;

8 (2) in section 462(d)(4)(C), by striking “three-
9 fourths in the Pell Grant family size offset” and in-
10 serting “150 percent of the difference between the in-
11 come protection allowance for a family of five with
12 one in college and the income protection allowance for
13 a family of six with one in college”;

14 (3) in section 462(e), by reducing the indenta-
15 tion of paragraph (2) by two em spaces;

16 (4) in section 462(h)(4), by reducing the inden-
17 tation of subparagraph (B) by two em spaces;

18 (5) in section 463(a)(2)(B)(i)(II), by striking
19 “7.5 percent” and inserting “7.5 percent for award
20 year 1993–1994 and has a cohort default rate which
21 does not exceed 15 percent for award year 1994–1995
22 or for any succeeding award year”;

23 (6) in section 463(c)(4), by striking “shall dis-
24 close” and inserting “shall disclose at least annually”;

1 (7) in section 463, by adding at the end the fol-
 2 lowing new subsections:

3 “(d) *LIMITATION ON USE OF INTEREST BEARING AC-*
 4 *COUNTS.*—In carrying out the provisions of subsection
 5 (a)(10), the Secretary may not require that any collection
 6 agency, collection attorney, or loan servicer collecting loans
 7 made under this part deposit amounts collected on such
 8 loans in interest bearing accounts, unless such agency, at-
 9 torney, or servicer holds such amounts for more than 45
 10 days.

11 “(e) *SPECIAL DUE DILIGENCE RULE.*—In carrying
 12 out the provisions of subsection (a)(5) relating to due dili-
 13 gence, the Secretary shall make every effort to ensure that
 14 institutions of higher education may use Internal Revenue
 15 Service skip-tracing collection procedures on loans made
 16 under this part.”;

17 (8) in section 463A, by striking subsections (d)
 18 and (e);

19 (9) in section 464(c)(2)(B) by striking “repay-
 20 ment or” and inserting “repayment of”;

21 (10) in section 464(c)(6), by striking
 22 “Fullbright” and inserting “Fulbright”;

23 (11) in section 464(e), by striking “principle”
 24 and inserting “principal”;

1 (12) in section 465(a)(2)(D), by striking “serv-
2 ices” and inserting “service”;

3 (13) in section 465(a)(2)(F), by striking “or”
4 after the semicolon;

5 (14) in section 465(a), by reducing the indenta-
6 tion of paragraph (6) by 2 em spaces; and

7 (15) in section 466(c), by reducing the indenta-
8 tion of paragraph (2) by two em spaces.

9 (g) AMENDMENTS TO PART F OF TITLE IV OF THE
10 ACT.—Part F of title IV of the Act (20 U.S.C. 1087kk et
11 seq.) is amended—

12 (1) in section 472—

13 (A) in paragraph (10), by striking “and”
14 after the semicolon;

15 (B) in paragraph (11), by striking the pe-
16 riod and inserting “; and”; and

17 (C) by adding at the end the following new
18 paragraph:

19 “(12) for a student who receives a loan under
20 this or any other Federal law, or, at the option of the
21 institution, a conventional student loan incurred by
22 the student to cover a student’s cost of attendance at
23 the institution, an allowance for the actual cost of
24 any loan fee, origination fee, or insurance premium
25 charged to such student or such parent on such loan,

1 or the average cost of any such fee or premium
 2 charged by the Secretary, lender, or guaranty agency
 3 making or insuring such loan, as the case may be.”;

4 (2) in the table contained in sections 475(c)(4)
 5 and 477(b)(4), by inserting “\$” before “9,510”;

6 (3) in section 475(f)(3)—

7 (A) by striking “Income in the case of a
 8 parent” and inserting “If a parent”;

9 (B) by striking “(1) of this subsection, or a
 10 parent” and inserting “(1) of this subsection, or
 11 if a parent”; and

12 (C) by striking “is determined as follows:
 13 The income” and inserting “the income”;

14 (4) in section 475(g)(1)(B), by inserting a close
 15 parentheses after “paragraph (2)”;

16 (5) in the table contained in section 475(g)(3),
 17 by adding a last row that is identical to the last row
 18 of the table contained in section 476(b)(2);

19 (6) in section 476, by adding at the end thereof
 20 the following new subsection:

21 “(d) COMPUTATIONS IN CASE OF SEPARATION, DI-
 22 VORCE, OR DEATH.—In the case of a student who is di-
 23 vorced or separated, or whose spouse has died, the spouse’s
 24 income and assets shall not be considered in determining
 25 the family’s contribution from income or assets.”;

1 (7) in section 477 by adding at the end thereof
2 the following new subsection:

3 “(e) *COMPUTATIONS IN CASE OF SEPARATION, DI-*
4 *VORCE, OR DEATH.*—In the case of a student who is di-
5 *vorced or separated, or whose spouse has died, the spouse’s*
6 *income and assets shall not be considered in determining*
7 *the family’s available income or assets.”;*

8 (8) in section 478—

9 (A) by striking “1992–1993” each place it
10 appears and inserting “1993–1994”; and

11 (B) in subsection (c)(1), by inserting “De-
12 cember” before “1992”;

13 (9) in section 478(h), by striking “Bureau of
14 Labor Standards” and inserting “Bureau of Labor
15 Statistics”;

16 (10) in section 479(a)(1), by inserting “of” after
17 “(c)”;

18 (11) in section 479(b)(1)(B)(i)—

19 (A) by inserting “(and the student’s spouse,
20 if any)” after “student” each time it appears;
21 and

22 (B) by striking “such”;

23 (12) in section 479(b)(2), by striking “five ele-
24 ments” and inserting “six elements”;

1 (13) in section 479(b)(2)(E), by striking the
2 semicolon and inserting a comma;

3 (14) in section 479(b)(3)—

4 (A) in subparagraph (A), by inserting “(in-
5 cluding any prepared or electronic version of
6 such form)” before “required”; and

7 (B) in subparagraph (B), by inserting “(in-
8 cluding any prepared or electronic version of
9 such return)” before “required”;

10 (15) in section 479(c)—

11 (A) by amending subparagraph (A) of
12 paragraph (1) to read as follows:

13 “(A) the student’s parents were not required
14 to file an income tax return under section
15 6012(a)(1) of the Internal Revenue Code of 1986;
16 and”;

17 (B) by amending subparagraph (A) of
18 paragraph (2) to read as follows:

19 “(A) the student (and the student’s spouse,
20 if any) was not required to file an income tax
21 return under section 6012(a)(1) of the Internal
22 Revenue Code of 1986; and”; and

23 (C) in subparagraph (B) of paragraphs (1)
24 and (2), by inserting “in 1992 or the current

1 *year, whichever is higher,” after “that may be*
2 *earned”; and*

3 *(16) in section 479A, by adding at the end the*
4 *following new subsection:*

5 “(c) *ADJUSTMENTS FOR SPECIAL CIRCUMSTANCES.—*

6 “(1) *IN GENERAL.—A student financial aid ad-*
7 *ministrator shall be considered to be making an ad-*
8 *justment for special circumstances in accordance with*
9 *subsection (a) if—*

10 “(A) *in the case of a dependent student—*

11 “(i) *such student received a Federal*
12 *Pell Grant as a dependent student in aca-*
13 *demie year 1992–1993 and the amount of*
14 *such student’s Federal Pell Grant for aca-*
15 *demie year 1993–1994 is at least \$500 less*
16 *than the amount of such student’s Federal*
17 *Pell Grant for academic year 1992–1993;*
18 *and*

19 “(ii) *the decrease described in clause*
20 *(i) is the direct result of a change in the de-*
21 *termination of such student’s need for as-*
22 *sistance in accordance with this part that is*
23 *attributable to the enactment of the Higher*
24 *Education Amendments of 1992; and*

1 “(B) in the case of a single independent stu-
2 dent—

3 “(i) such student received a Federal
4 Pell Grant as a single independent student
5 in academic year 1992–1993 and qualified
6 as an independent student in accordance
7 with section 480(d) for academic year
8 1993–1994, and the amount of such stu-
9 dent’s Federal Pell Grant for academic year
10 1993–1994 is at least \$500 less than the
11 amount of such student’s Federal Pell Grant
12 for academic year 1992–1993; and

13 “(ii) the decrease described in clause
14 (i) is the direct result of a change in the de-
15 termination of such student’s need for as-
16 sistance in accordance with this part that is
17 attributable to the enactment of the Higher
18 Education Amendments of 1992.

19 “(2) AMOUNT.—A financial aid administrator
20 shall not make an adjustment for special cir-
21 cumstances pursuant to this subsection in an amount
22 that exceeds one-half of the difference between the
23 amount of a student’s Federal Pell Grant for aca-
24 demic year 1992–1993 and the amount of such stu-

1 *dent's Federal Pell Grant for academic year 1993–*
 2 *1994.*

3 “(3) *ACADEMIC YEAR LIMITATION.*—A financial
 4 *aid administrator shall make adjustments under this*
 5 *subsection only for Federal Pell Grants awarded for*
 6 *academic years 1993–1994, 1994–1995, and 1995–*
 7 *1996.*

8 “(4) *SPECIAL RULE.*—Adjustments under this
 9 *subsection shall be made in any fiscal year only if an*
 10 *Act that contains an appropriation for such fiscal*
 11 *year to carry out this subsection is enacted on or after*
 12 *the date of enactment of the Higher Education Tech-*
 13 *nical Amendments of 1993.*

14 “(5) *LIMITATION.*—Adjustments under this sub-
 15 *section shall not be available for any academic year*
 16 *to any student who, on the basis of the financial cir-*
 17 *cumstances of the student for the current academic*
 18 *year, would not have been eligible for a grant under*
 19 *this section in academic year 1992–1993.”;*

20 (17) in section 480(c)(2), by striking “Title”
 21 each place it appears and inserting “United States
 22 Code, title”;

23 (18) in section 480(d)(2), by inserting “or was
 24 a ward of the court until the individual reached the
 25 age of 18” before the semicolon;

1 (19) in section 480(j), by reducing the indenta-
2 tion of paragraph (3) by 2 em spaces; and

3 (20) in section 480, by adding at the end the fol-
4 lowing new subsections:

5 “(k) *DEPENDENTS*.—(1) Except as otherwise provided,
6 the term ‘dependent of the parent’ means the student, de-
7 pendent children of the student’s parents, including those
8 children who are deemed to be dependent students when ap-
9 plying for aid under this title, and other persons who live
10 with and receive more than one-half of their support from
11 the parent and will continue to receive more than half of
12 their support from the parent during the award year.

13 “(2) Except as otherwise provided, the term ‘dependent
14 of the student’ means the student’s dependent children and
15 other persons (except the student’s spouse) who live with
16 and receive more than one-half of their support from the
17 student and will continue to receive more than half of their
18 support from the student during the award year.

19 “(l) *FAMILY SIZE*.—(1) In determining family size in
20 the case of a dependent student—

21 “(A) if the parents are not divorced or separated,
22 family members include the student’s parents, and the
23 dependents of the student’s parents including the stu-
24 dent;

1 “(B) if the parents are divorced or separated,
2 family members include the parent whose income is
3 included in computing available income and that
4 parent’s dependents, including the student; and

5 “(C) if the parents are divorced and the parent
6 whose income is so included is remarried, or if the
7 parent was a widow or widower who has remarried,
8 family members also include, in addition to those in-
9 dividuals referred to in subparagraph (B), the new
10 spouse and any dependents of the new spouse if that
11 spouse’s income is included in determining the par-
12 ents’ adjusted available income.

13 “(2) In determining family size in the case of an inde-
14 pendent student—

15 “(A) family members include the student, the
16 student’s spouse, and the dependents of the student;
17 and

18 “(B) if the student is divorced or separated, fam-
19 ily members do not include the spouse (or ex-spouse),
20 but do include the student and the student’s depend-
21 ents.

22 “(m) BUSINESS ASSETS.—The term ‘business assets’
23 means property that is used in the operation of a trade
24 or business, including real estate, inventories, buildings,

1 *machinery, and other equipment, patents, franchise rights,*
 2 *and copyrights.”.*

3 *(h) AMENDMENTS TO PART G OF TITLE IV OF THE*
 4 *ACT.—Part G of title IV of the Act (20 U.S.C. 1088 et seq.)*
 5 *is amended—*

6 *(1) in section 481(a)(3)(B), by inserting before*
 7 *the semicolon the following: “, except that the Sec-*
 8 *retary, at the request of such institution, may waive*
 9 *the applicability of this subparagraph to such institu-*
 10 *tion for good cause, as determined by the Secretary in*
 11 *the case of an institution of higher education that*
 12 *provides a 2-year or 4-year program of instruction*
 13 *for which the institution awards an associate or bac-*
 14 *calaureate degree”;*

15 *(2) in section 481(a)(3)(D)—*

16 *(A) by striking “are admitted pursuant to*
 17 *section 484(d)” and inserting “do not have a*
 18 *high school diploma or its recognized equiva-*
 19 *lent”; and*

20 *(B) by inserting before the period the follow-*
 21 *ing: “, except that the Secretary may waive the*
 22 *limitation contained in this subparagraph if a*
 23 *nonprofit institution demonstrates to the satis-*
 24 *faction of the Secretary that it exceeds such limi-*
 25 *tation because it serves, through contracts with*

1 *Federal, State, or local government agencies, sig-*
2 *nificant numbers of students who do not have a*
3 *high school diploma or its recognized equiva-*
4 *lent”;*

5 *(3) in section 481(a)(4), by amending subpara-*
6 *graph (A) to read as follows:*

7 *“(A) the institution, or an affiliate of the insti-*
8 *tution that has the power, by contract or ownership*
9 *interest, to direct or cause the direction of the man-*
10 *agement or policies of the institution, has filed for*
11 *bankruptcy; or”;*

12 *(4) in section 481(d), by amending paragraph*
13 *(2) to read as follows:*

14 *“(2) For the purpose of any program under this title,*
15 *the term ‘academic year’ shall require a minimum of 30*
16 *weeks of instructional time, and, with respect to an under-*
17 *graduate course of study, shall require that during such*
18 *minimum period of instructional time a full-time student*
19 *is expected to complete at least 24 semester or trimester*
20 *hours or 36 quarter hours at an institution that measures*
21 *program length in credit hours, or at least 900 clock hours*
22 *at an institution that measures program length in clock*
23 *hours. The Secretary may reduce such minimum of 30*
24 *weeks to not less than 26 weeks for good cause, as deter-*
25 *mined by the Secretary on a case-by-case basis, in the case*

1 *of an institution of higher education that provides a 2-year*
2 *or 4-year program of instruction for which the institution*
3 *awards an associate or baccalaureate degree.”;*

4 *(5) in section 481(e) by striking paragraph (2)*
5 *and inserting the following:*

6 *“(2)(A) A program is an eligible program for purposes*
7 *of part B of this title if it is a program of at least 300*
8 *clock hours of instruction, but less than 600 clock hours of*
9 *instruction, offered during a minimum of 10 weeks, that—*

10 *“(i) has a verified completion rate of at least 70*
11 *percent, as determined in accordance with the regula-*
12 *tions of the Secretary;*

13 *“(ii) has a verified placement rate of at least 70*
14 *percent, as determined in accordance with the regula-*
15 *tions of the Secretary; and*

16 *“(iii) satisfies such further criteria as the Sec-*
17 *retary may prescribe by regulation.*

18 *“(B) In the case of a program being determined eligible*
19 *for the first time under this paragraph, such determination*
20 *shall be made by the Secretary before such program is con-*
21 *sidered to have satisfied the requirements of this para-*
22 *graph.”;*

23 *(6) in section 481(f), by striking “State” and in-*
24 *serting “individual, or any State,”;*

1 (7) in section 482(c), by adding at the end the
2 following new sentence: “For award year 1994–95,
3 this subsection shall not require a delay in the effec-
4 tiveness of regulatory changes affecting parts B, G,
5 and H of this title that are published in final form
6 by May 1, 1994.”;

7 (8) in section 483(a)(1), by striking “section
8 411(d)” and inserting “section 401(d)”;

9 (9) in section 483(a)(2), by inserting at the end
10 the following new sentence: “No data collected on a
11 form for which a fee is charged shall be used to com-
12 plete the form prescribed under paragraph (1).”;

13 (10) in section 483(a)(3), by inserting at the end
14 the following sentence: “Entities designated by insti-
15 tutions of higher education or States to receive such
16 data shall be subject to all requirements of this sec-
17 tion, unless such requirements are waived by the Sec-
18 retary.”;

19 (11) in section 483(f), by striking “address, so-
20 cial security number,” and inserting “address or em-
21 ployer’s address, social security number or employer
22 identification number,”;

23 (12) in section 483, by redesignating subsections
24 (e), (f), and (g) as subsections (d), (e), and (f), respec-
25 tively;

1 (13) in section 484(a)(4)(B), by inserting after
2 “number” the following: “, except that the provisions
3 of this subparagraph shall not apply to a student
4 from the Republic of the Marshall Islands, the Fed-
5 erated States of Micronesia, or the Republic of
6 Palau”;

7 (14) in section 484(a)(5), by striking “in the
8 United States for other than a temporary purpose
9 and able to provide evidence from the Immigration
10 and Naturalization Service of his or her intent to be-
11 come a permanent resident” and inserting “able to
12 provide evidence from the Immigration and Natu-
13 ralization Service that he or she is in the United
14 States for other than a temporary purpose with the
15 intention of becoming a citizen or permanent resi-
16 dent”;

17 (15) in section 484(b)(2)—

18 (A) in subparagraph (A), by striking “and”
19 after the semicolon;

20 (B) in subparagraph (B), by striking the
21 period and inserting “; and”; and

22 (C) by adding at the end the following new
23 subparagraph:

24 “(C) has applied for a loan under section 428H,
25 if such student is eligible to apply for such a loan.”;

1 (16) in the matter following subparagraph (B) of
2 section 484(b)(3), by striking “part B” and inserting
3 “part B or D”;

4 (17) in section 484, by striking subsection (f);

5 (18) in section 484(g), by inserting a comma
6 after “Part D” each place it appears;

7 (19) in the matter preceding clause (i) of section
8 484(h)(4)(B), by striking “constitutes” and inserting
9 “constitute”;

10 (20) in section 484(i)(2)—

11 (A) by striking “(h)(4)(A)(ii)” and insert-
12 ing “(h)(4)(A)(i)”; and

13 (B) by striking “documentation,” and in-
14 serting “documentation, or”;

15 (21) in section 484(i)(3)—

16 (A) by striking “(h)(4)(B)(ii)” and insert-
17 ing “(h)(4)(B)(i)”; and

18 (B) by striking “, or” and inserting a pe-
19 riod;

20 (22) in section 484(i), by striking paragraph (4);

21 (23) in section 484(n), by striking “part B, C,”
22 and inserting “parts B, C,”;

23 (24) in section 484(q)(2), by striking “a correct
24 social security number” and inserting “documented

1 *evidence of a social security number that is deter-*
2 *mined by the institution to be correct”;*

3 *(25) in section 484, by redesignating subsections*
4 *(g) through (q) as subsections (f) through (p), respec-*
5 *tively;*

6 *(26) in section 484B(a), by striking “grant,*
7 *loan, or work assistance” and inserting “grant or*
8 *loan assistance”;*

9 *(27) in section 484B(b)(3), by striking “sub-*
10 *section (d)” and inserting “subsection (c)”;*

11 *(28) in clauses (i), (ii), and (iii) of section*
12 *485(a)(1)(F), by inserting before the comma at the*
13 *end of each such clause the following: “for the period*
14 *of enrollment for which a refund is required”;*

15 *(29) in section 485(a)(1)(F)(iv), by inserting*
16 *“under” after “awards”;*

17 *(30) in section 485(a)(1)(F)(vii), by striking*
18 *“provided under this title”;*

19 *(31) in section 485(a)(1)(F)(viii), by striking the*
20 *period;*

21 *(32) in section 485(a)(1)(F), by striking clause*
22 *(vi) and redesignating clauses (vii) and (viii) as*
23 *clauses (vi) and (vii), respectively;*

24 *(33) in section 485(a)(1)(L), by inserting a*
25 *comma after “full-time”;*

1 (34) in section 485(a)(3), by amending subpara-
2 graph (A) to read as follows:

3 “(A) shall, for any academic year beginning
4 more than 270 days after the Secretary first pre-
5 scribes final regulations pursuant to such subpara-
6 graph (L), be made available to current and prospec-
7 tive students prior to enrolling or entering into any
8 financial obligation; and”;

9 (35) in paragraphs (1)(A) and (2)(A) of section
10 485(b), by striking “under parts” and inserting
11 “under part”;

12 (36) in section 485(d), by inserting a period at
13 the end of the penultimate sentence;

14 (37) in section 485(e), by adding at the end the
15 following new paragraph:

16 “(9) This subsection shall not be effective until the first
17 July 1 that follows, by more than 270 days, the date on
18 which the Secretary first prescribes final regulations pursu-
19 ant to this subsection. The reports required by this sub-
20 section shall be due on that July 1 and each succeeding
21 July 1 and shall cover the 1-year period ending June 30
22 of the preceding year.”;

23 (38) in section 485B(a)—

24 (A) by striking “part E” and inserting
25 “parts D and E”; and

1 (B) by striking the second period at the end
2 of the third sentence;

3 (39) in section 485B(a)(4), by striking “part E”
4 and inserting “parts D and E”;

5 (40) in section 485B(c), by striking “part B or
6 part E” and inserting “part B, D, or E”;

7 (41) in section 485B(e), by striking “under this
8 part” each place it appears and inserting “under this
9 title”;

10 (42) in section 487(a)(2), by striking “, or for
11 completing or handling the Federal Student Assist-
12 ance Report”;

13 (43) in section 487(c)(1)(F), by striking “eligi-
14 bility for any program under this title of any other-
15 wise eligible institution,” and inserting “participa-
16 tion in any program under this title of an eligible in-
17 stitution,”;

18 (44) in section 489(a), by striking “484(c)” and
19 inserting “484(h)”;

20 (45) in section 491(d)(1), by striking “sections
21 411A through 411E and”; and

22 (46) in section 491(h)(1), by striking “subtitle
23 III” and inserting “subchapter III”.

1 (i) AMENDMENTS TO PART H OF TITLE IV OF THE
2 ACT.—Part H of title IV of the Act (20 U.S.C. 1099a et
3 seq.) is amended—

4 (1) in section 494C(a), by striking the first and
5 second sentences and inserting the following: “The
6 Secretary shall review all eligible institutions of high-
7 er education in a State to determine if any such in-
8 stitution meets any of the criteria in subsection (b).
9 If any such institution meets one or more of such cri-
10 teria, the Secretary shall inform the State in which
11 such institution is located that the institution has met
12 such criteria, and the State shall review the institu-
13 tion pursuant to the standards in subsection (d). The
14 Secretary may determine that a State need not review
15 an institution if such institution meets the criterion
16 in subsection (b)(10) only, such institution was pre-
17 viously reviewed by the State under subsection (d),
18 and the State determined in such previous review that
19 the institution did not violate any of the standards in
20 subsection (d).”;

21 (2) in section 494C(i), by striking “sections 428
22 or 487” and inserting “section 428 or 487”;

23 (3) in section 496(a)(2)(A)(i), by inserting “of
24 institutions of higher education” after “membership”;

1 (4) in section 496(a)(3)(A), by striking “sub-
2 paragraph (A)” and inserting “subparagraph (A)(i)”;

3 (5) in section 496(a)(5)—

4 (A) by striking the period at the end of sub-
5 paragraph (L) and inserting a semicolon; and

6 (B) by inserting after subparagraph (L) the
7 following:

8 “except that subparagraphs (G), (H), (I), (J), and
9 (L) shall not apply to agencies or associations de-
10 scribed in paragraph (2)(A)(ii) of this subsection;”;

11 (6) in the matter preceding paragraph (1) of sec-
12 tion 496(c), by striking “for the purpose of this title”
13 and inserting “as a reliable authority as to the qual-
14 ity of education or training offered by an institution
15 seeking to participate in the programs authorized
16 under this title”;

17 (7) in section 496(l)(2)—

18 (A) by striking “institutution” and insert-
19 ing “institution”; and

20 (B) by striking “association leading to the
21 suspension” and inserting “association, described
22 in paragraph (2)(A)(i), (2)(B), or (2)(C) of sub-
23 section (a) of this section, leading to the suspen-
24 sion”;

1 (8) in section 496(n)(1), by amending subpara-
2 graph (B) to read as follows:

3 “(B) site visits, including unannounced site vis-
4 its as appropriate, at accrediting agencies and asso-
5 ciations, and, at the Secretary’s discretion, at rep-
6 resentative member institutions.”;

7 (9) in section 498(c)—

8 (A) in paragraph (2), by adding at the end
9 the following new sentences: “Such criteria shall
10 take into account any differences in generally ac-
11 cepted accounting principles, and the financial
12 statements required thereunder, that are applica-
13 ble to for profit and nonprofit institutions. The
14 Secretary shall take into account an institution’s
15 total financial circumstances in making a deter-
16 mination of its ability to meet the standards
17 herein required.”;

18 (B) in the matter preceding subparagraph
19 (A) of paragraph (3), by striking “may deter-
20 mine” and inserting “shall determine”;

21 (C) by amending subparagraph (C) of para-
22 graph (3) to read as follows:

23 “(C) such institution establishes to the satisfac-
24 tion of the Secretary, with the support of a financial
25 statement audited by an independent certified public

1 *accountant in accordance with generally accepted au-*
2 *ditng standards, that the institution has sufficient*
3 *resources to ensure against the precipitous closure of*
4 *the institution, including the ability to meet all of its*
5 *financial obligations (including refunds of institu-*
6 *tional charges and repayments to the Secretary for li-*
7 *abilities and debts incurred in programs adminis-*
8 *tered by the Secretary); or”;*

9 *(D) by redesignating paragraphs (4) and*
10 *(5) as paragraphs (5) and (6), respectively; and*
11 *(E) by inserting after paragraph (3) the fol-*
12 *lowing new paragraph:*

13 *“(4) If an institution of higher education that provides*
14 *a 2-year or 4-year program of instruction for which the*
15 *institution awards an associate or baccalaureate degree*
16 *fails to meet the ratio of current assets to current liabilities*
17 *imposed by the Secretary pursuant to paragraph (2), the*
18 *Secretary shall waive that particular requirement for that*
19 *institution if the institution demonstrates to the satisfaction*
20 *of the Secretary that—*

21 *“(A) there is no reasonable doubt as to its con-*
22 *tinued solvency and ability to delivery quality edu-*
23 *cational services;*

24 *“(B) it is current in its payment of all current*
25 *liabilities, including student refunds, repayments to*

1 *the Secretary, payroll, and payment of trade creditors*
2 *and withholding taxes; and*

3 *“(C) it has substantial equity in school-occupied*
4 *facilities, the acquisition of which was the direct*
5 *cause of its failure to meet the current operating ratio*
6 *requirement.”;*

7 *(10) in section 498(f), by inserting after the sec-*
8 *ond sentence the following: “The Secretary may estab-*
9 *lish priorities by which institutions are to receive site*
10 *visits, and may coordinate such visits with site visits*
11 *by States, guaranty agencies, and accrediting bodies*
12 *in order to eliminate duplication, and reduce admin-*
13 *istrative burden.”;*

14 *(11) in section 498(h)(1)(B), by amending clause*
15 *(iii) to read as follows:*

16 *“(iii) the Secretary determines that an in-*
17 *stitution that seeks to renew its certification is,*
18 *in the judgment of the Secretary, in an adminis-*
19 *trative or financial condition that may jeopard-*
20 *ize its ability to perform its financial respon-*
21 *sibilities under a program participation agree-*
22 *ment.”;*

23 *(12) in section 498, by amending subsection*
24 *(i)(1) to read as follows:*

1 “(i) *TREATMENT OF CHANGES OF OWNERSHIP.*—(1)
 2 *An eligible institution of higher education that has had a*
 3 *change in ownership resulting in a change of control shall*
 4 *not qualify to participate in programs under this title after*
 5 *the change in control (except as provided in paragraph (3))*
 6 *unless it establishes that it meets the requirements of section*
 7 *481 (other than the requirements in subsections (b)(5) and*
 8 *(c)(3)) and this section after such change in control.”;*

9 (13) in section 498(i)(3), by amending subpara-
 10 graph (A) to read as follows:

11 “(A) *the sale or transfer, upon the death of an*
 12 *owner of an institution, of the ownership interest of*
 13 *the deceased in that institution to a family member*
 14 *or to a person holding an ownership interest in that*
 15 *institution; or”;*

16 (14) in section 498, by amending subsection
 17 (j)(1) to read as follows:

18 “(j) *TREATMENT OF BRANCHES.*—(1) *A branch of an*
 19 *eligible institution of higher education, as defined pursuant*
 20 *to regulations of the Secretary, shall be certified under this*
 21 *subpart before it may participate as part of such institution*
 22 *in a program under this title, except that such branch shall*
 23 *not be required to meet the requirements of sections*
 24 *481(b)(5) and 481(c)(3) prior to seeking such certification.*
 25 *Such branch is required to be in existence at least 2 years*

1 *prior to seeking certification as a main campus or free-*
 2 *standing institution.”; and*

3 *(15) in section 498A(e), by striking “Act,” and*
 4 *inserting “Act”.*

5 *(j) AMENDMENTS TO TITLES V THROUGH XII OF THE*
 6 *ACT.—Titles V through XII of the Act (20 U.S.C. 1101 et*
 7 *seq.) are amended—*

8 *(1) in section 505(b)(2)(D)(iii), by striking the*
 9 *period and inserting a semicolon;*

10 *(2) in section 525, by amending subsection (c) to*
 11 *read as follows:*

12 *“(c) WAIVERS.—For purposes of giving special consid-*
 13 *eration under section 523(d), a State may waive the cri-*
 14 *teria contained in the first sentence of subsection (b) for*
 15 *not more than 25 percent of individuals receiving Paul*
 16 *Douglas Teacher Scholarships on or after July 1, 1993.”;*

17 *(3) in the first sentence of section 530A by strik-*
 18 *ing “elementary and secondary school teachers” each*
 19 *place it appears and inserting “preschool, elementary,*
 20 *and secondary school teachers”;*

21 *(4) in section 535(b)(1)(C), by striking the semi-*
 22 *colon and inserting a period;*

23 *(5) in section 537(a), by inserting “IN” before*
 24 *“GENERAL”;*

1 (6) in section 545(d), by striking “parts B, D,”
2 and inserting “part B, D.”;

3 (7) in section 580B, by striking “(a) AUTHOR-
4 IZATION.—”;

5 (8) in section 581(b)(2), by striking
6 “402A(g)(2)” and inserting “402A(g)”;

7 (9) in section 597(d)(1), by striking “Develop-
8 ment and” and inserting “and Development”;

9 (10) in section 602(a)(3), by striking “(1)(A)”
10 and inserting “(1)”;

11 (11) in section 602(a)(4), by striking “(1)(A)”
12 and inserting “(1)”;

13 (12) in the heading of subsection (a) of section
14 603, by striking “RESOURCES” and inserting “RE-
15 SOURCE”;

16 (13) in section 607(c), by redesignating the sec-
17 ond paragraph (2) as paragraph (3);

18 (14) in section 714, by striking “(a) IN GEN-
19 ERAL.—”;

20 (15) in section 715(b)—

21 (A) by striking “(1) STATE GRANTS.—”;

22 (B) by redesignating subparagraphs (A)
23 and (B) as paragraphs (1) and (2);

24 (C) in paragraph (2) (as so redesignated)
25 by redesignating clauses (i), (ii), and (iii) as

1 subparagraphs (A), (B), and (C), respectively;
2 and

3 (D) by reducing the indentation of such
4 paragraphs (1) and (2) (as so redesignated) by
5 two em spaces;

6 (16) in section 725—

7 (A) by redesignating paragraphs (2)
8 through (5) as paragraphs (3) through (6), re-
9 spectively; and

10 (B) by inserting after paragraph (1) the fol-
11 lowing new paragraph:

12 “(2) shall require that the first loans for capital
13 projects authorized under section 723 be made no
14 later than March 31, 1994.”;

15 (17) in section 726, by inserting a period after
16 “title” the first time it appears and striking the re-
17 mainder of the sentence;

18 (18) in section 731(a), by striking “faculties,”
19 and inserting “faculty,”;

20 (19) in section 731(c), by striking “enactment
21 of”;

22 (20) in section 734(e)—

23 (A) by striking “FACULTIES” and inserting
24 “FACULTY”; and

1 (B) by striking “faculties” and inserting
2 “faculty”;

3 (21) in section 781(b), by striking “Education
4 Amendments of 1992,” and inserting “Education
5 Amendments of 1992”;

6 (22) in section 782(1)(A), by striking “out-
7 patient care of student” and inserting “outpatient
8 care of students”;

9 (23) in section 783—

10 (A) in subsection (a)(2), by inserting “on
11 all such loans owed by such institution” after
12 “outstanding indebtedness”; and

13 (B) by adding at the end thereof the follow-
14 ing new subsection:

15 “(d) REDUCTION OF AMOUNTS OWED TO TREAS-
16 URER.—If the Secretary forgives all or part of a loan de-
17 scribed in subsection (a), the outstanding balance remain-
18 ing on the notes of the Secretary that were issued to the
19 Secretary of the Treasury under section 761(d) as in effect
20 prior to the enactment of the Higher Education Amend-
21 ments of 1992, or under any provision of this title as in
22 effect at the time such note was issued, shall be reduced by
23 such amount forgiven.”;

24 (24) in the matter preceding paragraph (1) of
25 section 802(b), by inserting after “fiscal year” the fol-

1 *lowing: “the Secretary shall reserve such amount as*
 2 *is necessary to make continuing awards to institu-*
 3 *tions of higher education that were, on the date of en-*
 4 *actment of the Higher Education Amendments of*
 5 *1992, operating an existing cooperative education*
 6 *program under a multiyear project award and to*
 7 *continue to pay to such institutions the Federal share*
 8 *in effect on the day before such date of enactment. Of*
 9 *the remainder of the amount appropriated in such*
 10 *fiscal year”;*

11 *(25) in section 803(b)(6)(A), by striking “data”;*

12 *(26) in section 803(e)(2)—*

13 *(A) by striking “Mexican American” and*
 14 *inserting “Mexican-American”; and*

15 *(B) by striking “Mariana” and inserting*
 16 *“Marianian”;*

17 *(27) in section 901(b)(2), by striking “such*
 18 *part” and inserting “such title”;*

19 *(28) in section 922, by amending subsection (f)*
 20 *to read as follows:*

21 *“(f) INSTITUTIONAL PAYMENTS.—(1) The Secretary*
 22 *shall pay to the institution of higher education, for each*
 23 *individual awarded a fellowship under this part at such*
 24 *institution, an institutional allowance. Except as provided*
 25 *in paragraph (2), such allowance shall be—*

1 “(A) \$6,000 annually with respect to individuals
2 who first received fellowships under this part prior to
3 academic year 1993–1994; and

4 “(B) with respect to individuals who first receive
5 fellowships during or after academic year 1993–
6 1994—

7 “(i) \$9,000 for the academic year 1993–
8 1994; and

9 “(ii) for succeeding academic years, \$9,000
10 adjusted annually thereafter in accordance with
11 inflation as determined by the Department of
12 Labor’s Consumer Price Index for the previous
13 calendar year.

14 “(2) The institutional allowance paid under para-
15 graph (1) shall be reduced by the amount the institution
16 charges and collects from a fellowship recipient for tuition
17 and other expenses as part of the recipient’s instructional
18 program.”;

19 (29) in the second sentence of section 923(b)(1),
20 by striking “granting of such fellowships” and all
21 that follows through “set forth in this section,” and
22 inserting “granting of such fellowships for an addi-
23 tional period of study not to exceed one 12-month pe-
24 riod.”;

1 (30) in section 923(b)(2), by striking out the sec-
2 ond and third sentences and inserting the following:
3 “Such period shall not exceed a total of 3 years, con-
4 sisting of not more than 2 years of support for study
5 or research, and not more than 1 year of support for
6 dissertation work, provided that the student has at-
7 tained satisfactory progress prior to the dissertation
8 stage, except that the Secretary may provide by regu-
9 lation for the granting of such fellowships for an ad-
10 ditional period of study not to exceed one 12-month
11 period, under special circumstances which the Sec-
12 retary determines would most effectively serve the
13 purposes of this part. The Secretary shall make a de-
14 termination to provide such 12-month extension of an
15 award to an individual fellowship recipient for study
16 or research upon review of an application for such ex-
17 tension by the recipient. The institution shall provide
18 2 years of support for each student following the years
19 of Federal predissertation support under this part.
20 Any student receiving an award for graduate study
21 leading to a doctoral degree shall receive at least 1
22 year of supervised training in instruction during
23 such student’s doctoral program.”;

24 (31) in section 923(b), by adding at the end the
25 following new paragraph:

1 “(3) *CONTINUATION OF AWARDS UNDER PRIOR*
2 *LAW.—Notwithstanding any other provision of law,*
3 *in the case of an individual who was awarded a*
4 *multiyear fellowship under this part before the date*
5 *of enactment of the Higher Education Amendments of*
6 *1992, awards to such individual for the remainder of*
7 *such fellowship may, at the discretion of the institu-*
8 *tion of higher education attended by such individual,*
9 *be subject to the requirements of this subsection as in*
10 *effect prior to such date of enactment. The institution*
11 *shall be required to exercise such discretion at the*
12 *time that its application to the Secretary for a grant*
13 *under this part, and the amount of any such grant,*
14 *are being considered by the Secretary.”;*

15 (32) *in section 924, by adding at the end thereof*
16 *the following new sentence: “Notwithstanding any*
17 *other provision of law, the Secretary may use funds*
18 *appropriated pursuant to this section for fiscal year*
19 *1994 to make continuation awards under section*
20 *923(b)(3) to individuals who would have been eligible*
21 *for such awards in fiscal year 1993 if such section*
22 *had been in effect.”;*

23 (33) *in section 931(a), by inserting after the first*
24 *sentence the following new sentence: “These fellow-*
25 *ships shall be awarded to students intending to pur-*

1 *sue a doctoral degree, except that fellowships may be*
 2 *granted to students pursuing a master's degree in*
 3 *those fields in which the master's degree is commonly*
 4 *accepted as the appropriate degree for a tenured-track*
 5 *faculty position in a baccalaureate degree-granting*
 6 *institution.”;*

7 *(34) in the third sentence of section 932(a)(1), by*
 8 *striking “doctoral” and inserting “graduate”;*

9 *(35) in section 932(c), by striking “doctoral”*
 10 *and inserting “graduate”;*

11 *(36) in section 933(b), by amending paragraph*
 12 *(1) to read as follows:*

13 *“(1) IN GENERAL.—(A) The Secretary shall (in*
 14 *addition to stipends paid to individuals under this*
 15 *part) pay to the institution of higher education, for*
 16 *each individual awarded a fellowship under this part*
 17 *at such institution, an institutional allowance. Ex-*
 18 *cept as provided in subparagraph (B), such allowance*
 19 *shall be—*

20 *“(i) \$6,000 annually with respect to indi-*
 21 *viduals who first received fellowships under this*
 22 *part prior to academic year 1993–1994; and*

23 *“(ii) with respect to individuals who first*
 24 *receive fellowships during or after academic year*
 25 *1993–1994—*

1 “(I) \$9,000 for the academic year
2 1993–1994; and

3 “(II) for succeeding academic years,
4 \$9,000 adjusted annually thereafter in ac-
5 cordance with inflation as determined by
6 the Department of Labor’s Consumer Price
7 Index for the previous calendar year.

8 “(B) The institutional allowance paid under
9 subparagraph (A) shall be reduced by the amount the
10 institution charges and collects from a fellowship re-
11 cipient for tuition and other expenses as part of the
12 recipient’s instructional program.”;

13 (37) in section 941, by striking “the part” and
14 inserting “this part”;

15 (38) in section 943(b), by striking “foreign lan-
16 guages or area studies” and inserting “foreign lan-
17 guages and area studies”;

18 (39) in section 945, by amending subsection (c)
19 to read as follows:

20 “(c) TREATMENT OF INSTITUTIONAL PAYMENTS.—An
21 institution of higher education that makes institutional
22 payments for tuition and fees on behalf of individuals sup-
23 ported by fellowships under this part in amounts that ex-
24 ceed the institutional payments made by the Secretary pur-
25 suant to section 946(a) may count such payments toward

1 *the amounts the institution is required to provide pursuant*
2 *to section 944(b)(2).”;*

3 *(40) in section 946, by amending subsection (a)*
4 *to read as follows:*

5 *“(a) INSTITUTIONAL PAYMENTS.—(1) The Secretary*
6 *shall (in addition to stipends paid to individuals under this*
7 *part) pay to the institution of higher education, for each*
8 *individual awarded a fellowship under this part at such*
9 *institution, an institutional allowance. Except as provided*
10 *in paragraph (2), such allowance shall be—*

11 *“(A) \$6,000 annually with respect to individuals*
12 *who first received fellowships under this part prior to*
13 *academic year 1993–1994; and*

14 *“(B) with respect to individuals who first receive*
15 *fellowships during or after academic year 1993–*
16 *1994—*

17 *“(i) \$9,000 for the academic year 1993–*
18 *1994; and*

19 *“(ii) for succeeding academic years, \$9,000*
20 *adjusted annually thereafter in accordance with*
21 *inflation as determined by the Department of*
22 *Labor’s Consumer Price Index for the previous*
23 *calendar year.*

24 *“(2) The institutional allowance paid under para-*
25 *graph (1) shall be reduced by the amount the institution*

1 *charges and collects from a fellowship recipient for tuition*
2 *and other expenses as part of the recipient's instructional*
3 *program.”;*

4 (41) *in the matter preceding paragraph (1) of*
5 *section 951(a), by inserting “Pacific Islanders,” after*
6 *“Native Americans,”;*

7 (42) *in section 1004(a), by striking “part” and*
8 *inserting “subpart”;*

9 (43) *in section 1011(d), by striking “part” and*
10 *inserting “subpart”;*

11 (44) *in part D of title X, by redesignating sec-*
12 *tion 1181 as section 1081;*

13 (45) *in section 1081(d) (as so redesignated) by*
14 *inserting a comma after “this title)” and after “such*
15 *institutions”;*

16 (46) *in section 1106(a), by striking “may receive*
17 *a grant” and inserting “may receive such a grant”;*

18 (47) *in section 1142(d)(2), by inserting “pro-*
19 *gram” after “literacy corps”;*

20 (48) *in the last sentence of section 1201(a), by*
21 *striking “subpart 3 of part H,” and inserting “sub-*
22 *part 2 of part H of title IV of this Act,”;*

23 (49) *by amending section 1204 to read as fol-*
24 *lows:*

1 “TREATMENT OF TERRITORIES AND TERRITORIAL STUDENT
2 ASSISTANCE

3 “SEC. 1204. (a) The Secretary is required to waive the
4 eligibility criteria of any postsecondary education program
5 administered by the Department where such criteria do not
6 take into account the unique circumstances in Guam, the
7 Virgin Islands, American Samoa, Palau, the Common-
8 wealth of the Northern Mariana Islands, and the freely asso-
9 ciated states.

10 “(b) Notwithstanding any other provision of law, an
11 institution of higher education that is located in any of the
12 freely associated states, rather than a State, shall be eligible,
13 if otherwise qualified, for assistance under chapter 1 of sub-
14 part 2 of part A of title IV of this Act.”;

15 (50) in section 1205, in the section heading, by
16 inserting “**NATIONAL ADVISORY**” before “**COM-**
17 **MITTEE**”;

18 (51) in section 1205(a), by inserting “National
19 Advisory” before “Committee” the first place it ap-
20 pears;

21 (52) in paragraphs (1) and (6) of section
22 1205(c), by inserting “of title IV of this Act” after
23 “part H”;

1 (53) in section 1205(f), by striking “Accredita-
 2 tion and Institutional Eligibility” and inserting “In-
 3 stitutional Quality and Integrity”;

4 (54) in section 1209(f)(1), by striking “the Act”
 5 and inserting “this Act”;

6 (55) in title XII, by redesignating section 1211
 7 (as added by section 6231 of the Omnibus Trade and
 8 Competitiveness Act of 1988) as section 1212; and

9 (56) in section 1212(e)(2) (as so redesignated),
 10 by inserting close quotation marks after “facilities”
 11 the first place it appears.

12 (k) AMENDMENTS TO THE 1992 AMENDMENTS.—The
 13 Higher Education Amendments of 1992 (Public Law 102–
 14 325; 106 Stat. 459) is amended—

15 (1) in section 401(d)(2)(A), by inserting “the
 16 first place it appears” before “the following.”;

17 (2) in section 425(d)(1)—

18 (A) by inserting “the second sentence of”
 19 after “(1) in”; and

20 (B) by striking “in the second sentence”;

21 (3) in section 425(d)(4)—

22 (A) by inserting “the second sentence of”
 23 after “(4) in”; and

24 (B) by striking “in the second sentence”;

1 (4) in section 426(c), by striking “new sub-
2 sections” and inserting “new subsection”;

3 (5) in section 432(a)(3), by striking
4 “427(a)(2)(C) and 428(b)(1)(M)” and inserting
5 “427(a)(2)(C), 428(b)(1)(M), and 428B(d)(1)”;

6 (6) in section 446, by striking subsection (c);

7 (7) in section 465(a), by amending paragraph
8 (1) to read as follows:

9 “(1) in subparagraph (A), by striking ‘and such
10 determination’ and all that follows through ‘such
11 chapter 1’;”;

12 (8) in section 484, by inserting after subsection
13 (h) the following new subsection:

14 “(i) *EFFECTIVE DATE.*—The amendments made by
15 subsection (g) with respect to the addition of subsection (n)
16 shall be effective on and after December 1, 1987.”;

17 (9) in section 486(a)(3), by striking “section 1”
18 and inserting “section 103”;

19 (10) in section 1409(b)(1), by striking “the As-
20 bestos Hazard Emergency Response Act” and insert-
21 ing “section 202 of the Toxic Substances Control Act
22 (15 U.S.C. 2642)”;

23 (11) in section 1422(9), by striking “has placed”
24 and inserting “have placed”;

1 (12) in section 1442(c), by striking “Chairman”
2 and inserting “Chairperson”;

3 (13) in section 1541(g), by striking “edu-
4 cational” and inserting “education”; and

5 (14) in the subsection (a)(1) amended by section
6 1554(a), by striking “4” and inserting “6”.

7 (l) AMENDMENT TO THE 1986 AMENDMENT.—Section
8 1507(a)(12) of the Higher Education Amendments of 1986
9 (20 U.S.C. 4414(a)(12)) is amended by striking the period
10 and inserting a semicolon.

11 (m) STYLISTIC CONSISTENCY.—The Act is amended so
12 that the section designation and section heading of each sec-
13 tion of the Act shall be in the form and typeface of the sec-
14 tion designation and heading of this section.

15 (n) ACCREDITATION THROUGH TRANSFER OF CRED-
16 IT.—(1) An institution of higher education which satisfied
17 the requirements of section 1201(a)(5)(B) of the Act prior
18 to the enactment of the Higher Education Amendments of
19 1992, shall be considered to meet the requirements of section
20 1201(a)(5) of the Act if—

21 (A) within 60 days after the date of enactment
22 of the Higher Education Technical Amendments of
23 1993, such institution has applied for accreditation
24 by a nationally recognized accrediting agency or asso-
25 ciation which the Secretary determines, pursuant to

1 *subpart 2 of part H of title IV of the Act, to be a reli-*
2 *able authority as to the quality of education or train-*
3 *ing offered;*

4 *(B) within 2 years of the date of enactment of*
5 *the Higher Education Technical Amendments of 1993,*
6 *such institution is accredited by such an accrediting*
7 *agency or association or, if not so accredited, has been*
8 *granted preaccreditation status by such an agency or*
9 *association that has been recognized by the Secretary*
10 *for the granting of preaccreditation status, and the*
11 *Secretary has determined that there is satisfactory as-*
12 *surance that the institution will meet the accredita-*
13 *tion standards of such an agency or association with-*
14 *in a reasonable time; and*

15 *(C) such institution is legally authorized within*
16 *a State to provide education beyond secondary edu-*
17 *cation.*

18 *(2) The Secretary shall determine whether to recertify*
19 *any institution that meets the requirements of paragraph*
20 *(1) within 2 years after the date of enactment of this Act.*

21 *(3) Paragraph (1) of this subsection shall be effective*
22 *on and after July 23, 1992.*

1 **SEC. 3. PACIFIC REGIONAL EDUCATIONAL LABORATORY.**

2 *Section 101A of the Carl D. Perkins Vocational and*
3 *Applied Technology Education Act (20 U.S.C. 2311a) is*
4 *amended—*

5 *(1) in the matter preceding paragraph (1) of*
6 *subsection (b)—*

7 *(A) by striking “Center for the Advance-*
8 *ment of Pacific Education, Honolulu, Hawaii,*
9 *or its successor entity as the Pacific regional*
10 *educational laboratory” and inserting “Pacific*
11 *Regional Educational Laboratory, Honolulu,*
12 *Hawaii”; and*

13 *(B) by inserting “or provide direct services*
14 *regarding” after “grants for”; and*

15 *(2) in subsection (c), by striking “Center for the*
16 *Advancement of Pacific Education” and inserting*
17 *“Pacific Regional Educational Laboratory, Honolulu,*
18 *Hawaii.”.*

19 **SEC. 4. DISTRIBUTION OF FUNDS TO POSTSECONDARY AND**
20 **ADULT PROGRAMS.**

21 *Section 232 of the Carl D. Perkins Vocational and Ap-*
22 *plied Technology Education Act (20 U.S.C. 2341a) is*
23 *amended—*

24 *(1) in subsection (a)—*

25 *(A) in the first sentence—*

1 (i) by inserting “(1)” before “Except”;

2 and

3 (ii) by inserting “or consortia thereof”

4 before “within”; and

5 (B) in the second sentence—

6 (i) by inserting “or consortium” before

7 “shall”; and

8 (ii) by inserting “or consortium” be-

9 fore “in the preceding”;

10 (C) by adding at the end the following new

11 paragraph:

12 “(2) In order for a consortium of eligible institutions

13 described in paragraph (1) to receive assistance pursuant

14 to such paragraph such consortium shall operate joint

15 projects that—

16 “(A) provide services to all postsecondary insti-

17 tutions participating in the consortium; and

18 “(B) are of sufficient size, scope and quality as

19 to be effective.”;

20 (2) in subsection (b)—

21 (A) in paragraph (1), by inserting “or con-

22 sortia” after “institutions”; and

23 (B) in the matter preceding subparagraph

24 (A) of paragraph (2), by inserting “or consortia”

25 after “institutions”; and

1 (3) *in subsection (c)—*

2 (A) *in paragraph (1), by inserting “or con-*
3 *sortium” after “institution”; and*

4 (B) *in paragraph (2), by inserting “or con-*
5 *sortia” after “institutions”.*

6 **SEC. 5. EFFECTIVE DATES.**

7 (a) *IN GENERAL.—Except as otherwise provided there-*
8 *in or in subsection (b) of this section, the amendments made*
9 *by section 2 of this Act shall be effective as if such amend-*
10 *ments were included in the Higher Education Amendments*
11 *of 1992 (Public Law 102–325), except that section 492 of*
12 *the Act shall not apply to the amendments made by this*
13 *Act.*

14 (b) *EXCEPTIONS.—*

15 (1) *EFFECTIVE ON OCTOBER 1, 1993.—The*
16 *amendments made by the following subsections of sec-*
17 *tion 2 of this Act shall be effective on and after Octo-*
18 *ber 1, 1993: (b)(29), (j)(28), (j)(36), and (j)(40).*

19 (2) *EFFECTIVE ON DATE OF ENACTMENT.—The*
20 *amendments made by the following subsections of sec-*
21 *tion 2 of this Act shall be effective on and after the*
22 *date of enactment of this Act: (b)(2), (b)(7), (b)(28),*
23 *(c)(3), (c)(5), (c)(13)(B), (c)(13)(C), (c)(18), (c)(30),*
24 *(c)(62).*

1 (3) *EFFECTIVE 30 DAYS AFTER ENACTMENT.*—
 2 *The amendments made by the following subsections of*
 3 *section 2 of this Act shall be effective on and after 30*
 4 *days after the date of enactment of this Act: (c)(19),*
 5 *(c)(20), (c)(21), (c)(59).*

6 (4) *EFFECTIVE 60 DAYS AFTER ENACTMENT.*—
 7 *The amendments made by the following subsections of*
 8 *section 2 of this Act shall be effective on and after 60*
 9 *days after the date of enactment of this Act: (c)(31)*
 10 *and (c)(53).*

11 (5) *EFFECTIVE ON APRIL 1, 1994.*—*The amend-*
 12 *ments made by section 2(c)(43)(B) of this Act shall*
 13 *be effective on and after April 1, 1994.*

14 (6) *EFFECTIVE ON JULY 1, 1994.*—*The amend-*
 15 *ments made by the following subsection of section 2*
 16 *of this Act shall be effective on and after July 1, 1994:*
 17 *(b)(25), (c)(2), (c)(13)(A), (c)(29).*

18 (7) *COHORT DEFAULT DATA EXAMINATIONS.*—
 19 *The amendment made by section 2(c)(60)(A) shall be*
 20 *effective on and after October 1, 1994.*

21 (8) *COHORT DEFAULT RATE DETERMINATIONS.*—
 22 *The amendments made to subsection (a)(3) and*
 23 *(m)(1)(B) of section 435 of this Act shall apply with*
 24 *respect to the determination (and appeals from deter-*

- 1 *minations) of cohort default rates for fiscal year 1989*
- 2 *and any succeeding fiscal year.*

Attest:

Secretary.

S 1507 EAS—2

S 1507 EAS—3

S 1507 EAS—4

S 1507 EAS—5

S 1507 EAS—6

S 1507 EAS—7

S 1507 EAS—8

S 1507 EAS—9

S 1507 EAS—10